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53636 7590 03/31/2009 STERNE, KESSLER, GOLDSTEIN & FOX, P.L.L.C. 1100 NEW YORK AVENUE, N.W. WASHINGTON, DC 20005-3934				
EXAMINER				
HOLLY, JOHN H				
ART UNIT		PAPER NUMBER		
3694				
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/750,030

Applicant(s)

STANIAR ET AL.

Examiner

JOHN H. HOLLY

Art Unit

3694

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 07 January 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-5, 8, 9 and 11-35 is/are pending in the application.
- 4a) Of the above claim(s) 19 and 20 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-5, 8-9, 11-18, and 21-35 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB08)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Paper No(s)/Mail Date _____
- 6) ☐ Other: _____

DETAILED ACTION

This Office Action is in response to an Amendment entered 01/07/2009 for the patent Application 10/750,030.

Status of Claims

1. Claims 1 – 5, 8 – 9, 11 – 35 are pending in the Application.
Claims 1, 8, 11 and 15 - 17 has been amended in the Application.
Claims 19 and 20 has been withdrawn in the Application.
Claims 6 – 7 and 10 has been cancelled in the Application.
New Claims 21 – 35 have been added in the Application.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1 – 5, 8 – 9 and 11 - 18 are rejected under 35 U.S.C. 101 because the claimed invention is not directed to statutory subject matter. Based on Supreme Court precedent, to be patent eligible under 35 U.S.C. 101 a method/process claim must (1) be tied to a particular machine or apparatus or (2) transform a particular article into a different state or thing (see at least *Gottschalk v. Benson*, 409 U.S. 70 (1972); *Diamond v. Diehr*, 450 U.S. 192 (1981); *Parker v. Flook*, 437 U.S. 589 n.9 (1978); and *Cochrane v. Deener*, 94 U.S. 780, 788 (1876)). Furthermore, the Supreme Court held that the use of a specific machine or transformation of an article must impose meaningful limits on the claim's scope to impart patentability (*Benson*, 409 U.S. 71-72). The involvement of the machine or transformation must not merely be insignificant extra-solution activity (*Flook*, 437 U.S. 590). Also see *In re Bilski*, No. 2007-1130, _F.3d_, 2008 WL4757. A

method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here claims 1 – 5, 8 – 9 and 11 – 18 fail to meet the above requirements because the claims fail to tie in another statutory class of invention.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office Action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1 – 5, 11 – 12, 15 – 18, 21 – 25, 28 – 29 and 32 – 35 are rejected under 35 U.S.C. 103(a) as being obvious over Alexandra J. Adrian (Pub. # US 2005/0027654 A1 – herein referred to as Adrian) in view of William C. Erbey et al. (Pub. # US 2005/0144125 A1- herein referred to as Erbey).

Regarding claim 1,

Adrian discloses a method for processing a payment from a financial account, comprising:

receiving, from a buyer having a financial account, an identification of a supplier's invoice including an invoiced amount and a payment term selected by the supplier; receiving an approval to pay the supplier's invoice using the financial account (Adrian, abstract, [0014], [0050], [0056]).

However, Adrian does not expressly disclose the method according to claim 1, wherein providing, to the supplier, a payment in accordance with the selected payment term, the payment comprising an amount equal to the invoiced amount less (i) a flat transaction

fee, (ii) a risk intermediate fee based on the invoiced amount, and (iii) a financing fee based on the selected payment term.

In a similar field of endeavor, Erbey discloses the method according to claim 1, wherein providing, to the supplier, a payment in accordance with the selected payment term, the payment comprising an amount equal to the invoiced amount less (i) a flat transaction fee, (ii) a risk intermediate fee based on the invoiced amount, and (iii) a financing fee based on the selected payment term (Erbey, [0040], [0114], [0115], [0117]).

In light of the teaching of Erbey, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Adrian wherein providing, to the supplier, a payment in accordance with the selected payment term, the payment comprising an amount equal to the invoiced amount less (i) a flat transaction fee, (ii) a risk intermediate fee based on the invoiced amount, and (iii) a financing fee based on the selected payment term as recited in claim 1.

This modification would provide a method for tracking and paying vendors based on accounts payable batch for the gross amount due to the vendor using a ACH system. The payments are scheduled based on an approved remittance cycle to each vendor.

Regarding claim 2,

Adrian discloses the method of claim 1, the financial account comprising a credit account (Adrian, [0057], [0056]).

Regarding claim 3,

Adrian discloses the method of claim 2, the credit account comprising a corporate purchasing account (Adrian, [0010]).

Regarding claim 4,

Adrian discloses the method of claim 1, wherein the payment term comprises from a period from at least three days to at most one month from a date of the approval of the invoice (Adrian, [0015]).

Regarding claim 5,

Adrian discloses the method of claim 1, wherein the payment term must be one of three days from a date of the approval of the invoice (Adrian, [0015]); fifteen days from the date of the approval of the invoice (Adrian, [0015]); and thirty days from the date of the approval of the invoice (Adrian, [0014]).

Regarding claim 11,

Adrian discloses the method of claim 1, the financing fee comprising a percentage of the invoiced amount, the percentage based on the payment term (Adrian, [0011]).

Regarding claim 12,

Adrian discloses the method of claim 11, wherein the percentage decreases as the payment term increases (Adrian, [0016]).

Regarding claim 15,

Adrian discloses the method of claim 1, the risk intermediation fee comprising a first percentage of the invoiced amount, the financing fee comprising a second percentage of the invoiced amount, wherein the second percentage is greater than the first percentage (Adrian, [0048]).

Regarding claim 16,

Adrian discloses the method of claim 1, further comprising: receiving, from the supplier, a change to the payment term after the approval, said payment provided based on the change to the payment term (Adrian, [0011], [0041], [0056]).

Regarding claim 17,

Adrian discloses the method of claim 16, the risk intermediation fee comprising a first percentage of the invoiced amount, and the financing fee comprising a second percentage of the invoiced amount, the second percentage-based on the change to the payment term (Adrian, [0011]).

Regarding claim 18,

Adrian discloses the method of claim 1, further comprising:
charging the invoiced amount to the financial account based on the approval (Adrian, [0010], [0011], [0056]).

Regarding claim 21,

Claim 21 is a product claim corresponding to method claim 1. Therefore, claim 21 is analyzed and rejected as previously discussed with respect to claim 1.

Regarding claim 22,

Claim 22 is a product claim corresponding to method claim 2. Therefore, claim 22 is analyzed and rejected as previously discussed with respect to claim 2.

Regarding claim 23,

Claim 23 is a product claim corresponding to method claim 3. Therefore, claim 23 is analyzed and rejected as previously discussed with respect to claim 3.

Regarding claim 24,

Claim 24 is a product claim corresponding to method claim 4. Therefore, claim 24 is analyzed and rejected as previously discussed with respect to claim 4.

Regarding claim 25,.

Claim 25 is a product claim corresponding to method claim 5. Therefore, claim 25 is analyzed and rejected as previously discussed with respect to claim 5.

Regarding claim 28,

Claim 28 is a product claim corresponding to method claim 11. Therefore, claim 28 is analyzed and rejected as previously discussed with respect to claim 11.

Regarding claim 29,

Claim 29 is a product claim corresponding to method claim 12. Therefore, claim 29 is analyzed and rejected as previously discussed with respect to claim 12.

Regarding claim 32,

Claim 32 is a product claim corresponding to method claim 15. Therefore, claim 32 is analyzed and rejected as previously discussed with respect to claim 15.

Regarding claim 33,

Claim 33 is a product claim corresponding to method claim 16. Therefore, claim 33 is analyzed and rejected as previously discussed with respect to claim 16.

Regarding claim 34,

Claim 34 is a product claim corresponding to method claim 17. Therefore, claim 34 is analyzed and rejected as previously discussed with respect to claim 17.

Regarding claim 35,

Claim 35 is a product claim corresponding to method claim 18. Therefore, claim 35 is analyzed and rejected as previously discussed with respect to claim 18.

6. Claims 8 - 9, 13 - 14, 26 - 27, 30 and 31 are rejected under 35 U.S.C. 103(a) as being obvious over Alexandra J. Adrian (Pub. # US 2005/0027654 A1 – herein referred

to as Adrian) in view of William C. Erbey et al. (Pub. # US 2005/0144125 A1- herein referred to as Erbey) and further in view of William Roland Hartley-Urquhart (Pat. # US 6,167,385 – herein referred to as Hartley-Urquhart).

Regarding claim 8,

Adrian in view of Erbey discloses the method of claim 1.

However, Adrian in view of Erbey does not expressly disclose the method according to claim 1, the risk intermediation fee comprising a percentage of the invoiced amount.

In a similar field of endeavor, Hartley-Urquhart discloses the method according to claim 1, the risk intermediation fee comprising a percentage of the invoiced amount (Hartley-Urquhart, col.9, lines 24 - 37); (Hartley-Urquhart, col.7, lines 10 - 59).

In light of the teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Adrian in view of Erbey wherein the risk intermediation fee comprising a percentage of the invoiced amount as recited in claim 8.

This modification would provide a method for better sales, cash flow and bottom line within a short period of time. Improved cash flow and could eliminate bad debt expense and remove the unseen administrative costs related to doing business with non-paying customers.

Regarding claim 9,

Adrian in view of Erbey discloses the method of claim 8.

However, Adrian in view of Erbey does not disclose the method of claim 8, wherein the percentage comprising ten basis points.

In a similar field of endeavor, Hartley-Urquhart disclosed the method of claim 8, wherein the percentage comprising ten basis points (Hartley-Urquhart, col. 6, lines 4 - 25).

In light of the teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Adrian in view of Erbey wherein the percentage comprising ten basis points as recited in claim 9.

This modification would provide a method for better sales, cash flow and bottom line within a short period of time. Improved cash flow and could eliminate bad debt expense and remove the unseen administrative costs related to doing business with non-paying customers.

Regarding claim 13,

Adrian in view of Erbey discloses the method of claim 12.

However, Adrian in view of Erbey does not disclose the method of claim 12, said percentage being from eighty basis points to zero basis points based on the payment term.

In a similar field of endeavor, Hartley-Urquhart disclosed the method of claim 12, said percentage being from eighty basis points to zero basis points based on the payment term (Hartley-Urquhart, cols. 2, lines 66 - 67).

In light of the teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Adrian in view of Erbey wherein, said percentage being from eighty basis points to zero basis points based on the payment term as recited in claim 13.

This modification would provide a method for better sales, cash flow and bottom line within a short period of time. Improved cash flow and could eliminate bad debt expense and remove the unseen administrative costs related to doing business with non-paying customers.

Regarding claim 14,

Adrian in view of Erbey discloses the method of claim 11.

However, Adrian in view of Erbey does not disclose the method of claim 11, said percentage comprising one of: zero basis points for a thirty day payment term, forty basis points for a fifteen-day payment term, and eighty basis points for a three-day payment term.

In a similar field of endeavor, Hartley-Urquhart disclosed the method of claim 11, said percentage comprising one of: zero basis points for a thirty day payment term, forty basis points for a fifteen-day payment term, and eighty basis points for a three-day payment term (Hartley-Urquhart, cols. 6, lines 12 - 25).

In light of the teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Adrian in view of Erbey wherein, said percentage comprising one of: zero basis points for a thirty day payment term, forty basis points for a fifteen-day payment term, and eighty basis points for a three-day payment term as recited in claim 14.

This modification would provide a method for better sales, cash flow and bottom line within a short period of time. Improved cash flow and could eliminate bad debt expense and remove the unseen administrative costs related to doing business with non-paying customers.

Regarding claim 26,

Claim 26 is a product claim corresponding to method claim 8. Therefore, claim 26 is analyzed and rejected as previously discussed with respect to claim 8.

Regarding claim 27,

Claim 27 is a product claim corresponding to method claim 9. Therefore, claim 27 is analyzed and rejected as previously discussed with respect to claim 9.

Regarding claim 30,

Claim 30 is a product claim corresponding to method claim 13. Therefore, claim 30 is analyzed and rejected as previously discussed with respect to claim 13.

Regarding claim 31,

Claim 31 is a product claim corresponding to method claim 14. Therefore, claim 31 is analyzed and rejected as previously discussed with respect to claim 14.

Examiner's Note:

The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

Response to Arguments

Applicant's arguments filed with an amendment on 07 January 2009 have been fully considered but they are not persuasive.

Regarding Claims 1-18 rejected under 35 U.S.C. § 101, the applicant asserts that independent claim 1 is patent-eligible under 35 USC § 101 because "(i.e., "a payment"). In particular, independent claim 1 recites "receiving... an identification of a supplier's invoice including an invoiced amount and a payment term selected by the supplier." And the method of independent claim 1 transforms the "identification of a supplier's invoice" to "provid[e]... a payment in accordance with the selected payment term", (see pages 10 -12 of the Remarks).

The Examiner respectfully disagrees. The disclosed section does not add a physical structure to the claim, such as a "transaction is performed by a computer network" that add structure to the claim. Which of the two items are physical and tangible?

For these reasons, claims 1-18 rejected under 35 U.S.C. § 101 stand.

Regarding claim 1, the applicant asserts that Erbey does not teach – "flat transaction fee, risk intermediate fee and financing fee", (see page 14 of the Remarks).

The Examiner respectfully disagrees. Erbey discloses the "flat transaction fee, risk intermediate fee and financing fee" - (Erbey, [0040], [0114], [0115], [0117]). Also, with emphasis added at [0066] – "in step 137, a fee due the provider of software services is calculated. Information used to calculate the fee includes, for example, the loan status drives, the sales price or mortgage payment of the property, and a rate applied to the sales price, the mortgage price, or the listing price. In the event prepayment has been made, the prepaid amount may be subtracted from the fee due."

For these reasons, Erbey clearly teaches "flat transaction fee, risk intermediate fee and financing fee".

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a). A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JOHN H. HOLLY whose telephone number is (571)270-3461. The examiner can normally be reached on Mon. - Fri. 8 AM to 5 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on (571)272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status

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information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/J. H. H./

Examiner, Art Unit 3694

/Mary Cheung/

Primary Examiner, Art Unit 3694